

# Swatantra Alternative To Third Plan

Speeches in Parliament

by

Professor N. G. Ranga

and

M. R. Masani



A SWATANTRA PARTY PUBLICATION

In August 1960 the Swatantra Group in the Lok Sabha moved a substitute motion disapproving the Third Five Year Plan giving nine reasons why the House should reject the Plan.

Sheer numbers got the better of good sense and the Plan was adopted by Parliament. Three years and five months later, the Swatantra Party's fears that the Plan was misconceived have proved to be true. The Treasury benches admitted serious shortfalls and Congressmen themselves were critical when a report on the mid-term appraisal of the Third Plan came up for discussion in Parliament on December 5, 1963.

On the previous occasion we had published a pamphlet entitled "What's wrong with the Third Plan?" It contained speeches by Prof. Ranga and Mr. M. R. Masani of our Party and Acharya Kripalani. The speeches then expressed grave misgivings. To refresh the reader's memory, we have included in this pamphlet the Substitute Motion moved by our President in Parliament in August 1960 which will serve to show that the Party's policy stands vindicated.

The Swatantra Party has been accused of having no alternative to the current pattern of planning. The speeches of Prof. Ranga and Mr. Masani during the recent discussion in Parliament show in unmistakable terms what our alternatives are to the present path which is taking the country to economic chaos and political disaster.



## M. R. Masani

---

Mr. Speaker, Sir, the objectives of the Third Plan as stated in the document were unexceptionable. They were, broadly, more savings and investment; secondly, greater production and productivity; and, thirdly, more exports. Unfortunately, Sir, the document that has been circulated to us and to which the hon. Minister has referred, which as he said is an honest document and on which I congratulate the Minister, shows that the results are entirely different from what had been hoped. Even if the admission of failures is 'ambiguously worded' as has been complained of in the Press, even if the attempt is made to 'wrap up unpleasant facts in verbiage and equivocation,' the fact remains that the picture is one of dismal failure. It is not that there are disappointing patches as the Minister just said. The whole picture is dark and without almost any redeeming patch.

In fact, it is the kind of picture which no Government should bring before Parliament without accompanying it with its own resignation. It is a picture of abject defeat, as abject as the defeat on the NEFA front sustained by this Government last year.

Now, let me say that this is a fair summary of what the document itself says and I shall quote or refer, because time does not permit quoting, to the admissions in the document itself. On page 1, it says:

"It has been a period of slow economic growth. The increase in national income has been of the order of 5 per cent in 2½ years."

That is, 2 per cent per year, as opposed to what was hoped for, 6 per cent — one-third of the rate of growth expected to be achieved. And when it is recalled that our rate of population increase is more than 2 per cent, this

means an absolute deficit, going back, not even keeping abreast. The Prime Minister often says we run hard but we do not move because the population increase takes up this increased wealth. But we are not any longer doing even that; we are moving backwards, inspite of running fast. On foodgrains, the documents says on pages 7-8:

"It was of the order of 77.5 million tons in 1962-63 as compared to 79.79 million tons in 1960-61 and 1961-62."

In other words, there is a drop, going backwards. The present indication, they say on page 19, is:

"There may be a shortfall of the order of 3.5 million tons in the output of foodgrains."

Industrial production does not show a much better picture. This is what it says:

"Industrial production increased by 6.5 per cent and 8 per cent in the first two years of the Third Five Year Plan." Once again, it is clear that these increases are not in consonance with the rise of anything like 11 per cent per annum anticipated in the Third Plan document.

"In some sectors" — I am quoting from page 21 — "performance is likely to fall short of Plan targets to a limited extent, as for instance, in machine tools, aluminium, cloth, coal and iron ore. On the other hand, there are certain crucial projects like fertilisers or establishment of a fourth steel plant in the public sector, where the lag is not only likely to be considerable but also, in the present circumstances, unavoidable."

Then, on page 47:

"Shortfalls in production are expected in the case of steel, tea, oilseeds and cotton."

On page 75, it says:

"A major assumption in formulating the Third Plan programme for agricultural production was that consumption of chemical fertilisers would be considerably stepped up. . . . it is clear that the level of availability of nitrogenous fertilisers at the end of the Plan period will fall short of the original targets."

On steel it says on page 125:

"Against the target of 6.8 million tons of finished steel, it is anticipated that the output would be of the order of 5.8 million tons in 1965-66."

On aluminium on page 126:

"Against the capacity target of 87,500 tons the capacity available by the end of the Third Plan period is likely to be about 68,000 tons."

On machine tools on page 127 it says:

"Against the target of Rs. 30 crores of machine tools envisaged in the Plan, the output is now expected to be about Rs. 25 crores."

I could go on quoting like this for one whole hour. If you turn page after page, as I said, you find not one redeeming picture, not one encouraging conclusion. It is the same about power, the same about industrial share values and small savings. Coming to employment, on page 53 it says:

"Taking a view of the additional employment to be generated during 1961-66, it does appear that in the first two years at any rate, employment has been somewhat below expectations. . . . The conclusion given above is reinforced by the increase in the number of persons on the live registers of employment exchanges. . . ."

There are only two things that have increased during the Third Plan and they are welcome to take credit for them, and those two things are prices and taxes.

Shri Tyagi: Who should be proud for it?

Shri M. R. Masani: They should be proud of it because they inflicted further burdens on the people! They are welcome to take pride, if they want to. On prices, it is said on pages 10 and 11:

"If one takes the period of nearly two and a half years since the commencement of the Third Plan, the increase in the general price index would work out to about 7 per cent."

On taxation, on pages 1 and 2, they admit:

"Against a target of additional taxation of Rs. 1,750 crores,

during the first three years of the Plan, Central and State Governments have undertaken taxation yielding about Rs. 2,400 crores over the Plan period."

So, the only two achievements that they have are rising prices and increased taxes. Against that, there is failure on every aspect of the economic front.

I would, therefore, say that this document of reappraisal is an honest document on which I congratulate the Minister and the officials who have been preparing it. Thank goodness, we are at least allowed to know the facts. I would say that this document represents a summary of 910 days, because that is the period it covers, of wishful thinking, wasteful spending, excessive intervention, rigid regimentation, outdated dogmas and deepening discontent throughout the country.

As I said, any self-respecting government which presented this document should have the courtesy to tender its resignation simultaneously to this Parliament.

The conclusion to which I come is that this Plan must be scrapped. There is nothing in this Plan that is worth preserving or maintaining. The whole thing is wrong-minded. The whole approach has been wrong, and it is not a matter only of implementation. It is a very easy excuse to say that our Plans are good but the implementation is defective. I would only invite their attention to an effective cartoon in a Delhi paper two days ago on this subject. I refer them to my speech last August during the motion of no-confidence when I said that it is because the plans are defective that implementation is not possible. There is nothing wrong with the honest officials whom you ask to implement your plans. It is because your plans are wrong-minded, because your plans do not take into account human nature, because your plans are against economic realities and economic laws, that they are bound to fail, however honestly and well they are implemented.

Now, even the most wooden people seem to have something penetrate into them, and I am very glad to say that

in the last few weeks both the Prime Minister and the Finance Minister have been making occasional statements that show the first glimpses of economic realism. The Prime Minister has made three or four intelligent statements in the last couple of months, a somewhat unusually high ratio! He said at a Seminar at the India International Centre on 22nd September that big plants are all very well but it is the villages which need attention and that when there is no drinking water in the villages, to talk of big plans is rather idle. I was glad to read this because only last August I said the same thing from these same benches when the Prime Minister said: "I did not think intelligent men like Masani did not think of the priority for steel plants." I am very glad that some sense of priority has come at least even to these gentlemen opposite. Shri Nehru also said that the Planning Commission has developed into something which he had not intended. He said it had become a huge bureaucratic organisation and went on to say that it has all the departments of government almost duplicated there.

Indeed, we from these benches have made this criticism that the National Planning Commission has no place in a democracy and that this Moscow Gosplan transplanted on our territory belongs to a communist dictatorship and that if you have a Moscow Gosplan in India then you are setting up a parallel government to the Parliamentary government and to a cabinet responsible to Parliament and through it to the people. I am very glad that the Prime Minister at last has come down to earth and has seen that the National Planning Commission is seeking to duplicate the role of government. I am also glad that my hon. friend, Shri Asoka Mehta, who has become the Vice-Chairman of the Planning Commission, has stressed that the Planning Commission should have only an advisory role and should not become a parallel government. It is all very good, that, though belatedly, these confessions and admissions are being made.

Perhaps the most important of the changes of front is made on agriculture. Let me quote the Prime Minister at Jaipur in November. He said:

"Agriculture is the key and the base of all progress—we dare not be slack. If we fail in agriculture, it does not matter what else we have got."

Not even steel, I presume, about which we have been so enamoured all these years! This is exactly what we have been saying. Read the manifesto of the Swatantra Party. It also makes the charge that the villages and the rural areas are being neglected for the benefit of grandiose plans and now even Mr. Nehru has started talking about the rural areas. But who has done all this? It is the Prime Minister and his government which are responsible for creating this National Planning Commission as a parallel government. It is the Prime Minister and his government who have been responsible for neglecting the villages and diverting their hard earned resources for these white elephant steel plants when they needed the resources badly for water, fertiliser, seed and so on. Let us, however, rejoice that, belatedly at least, wisdom has dawned on them.

But while imitation is a sincere form of flattery and one is pleased to hear these gentlemen mouthing slogans lifted from the manifesto of my Party . . . . (Interruption), the question arises how sincere is this repentance, how sincere is this awakening?

Mr. Harold Wilson, the Labour leader in Britain who is our counterpart in that Parliament, said recently about his government something which is very applicable here. He said, "Imitation is the sincerest form of political desperation." It is not only flattery but it is also political desperation. This Government knows that the country is turning against it. It knows that whatever majority it may have in this House, an inflated and unreal majority as I have explained in the past, it is no longer valid in the country.

This repentance has taken a long time coming. But is it sincere? That is what everyone wants to know. I am quite prepared to keep an open mind. I am quite prepared to watch and see by action whether this repentance is sincere. That is what the people of India are going to do. They are not going to be taken in by resolutions. They will watch and see whether these professions of priority for villages, recasting the National Planning Commission into the kind of mould that we have been suggesting all these years, that of a purely expert body of advisers whether all this is going to be done or not. There are many issues by which they will judge. They will judge by the form in which the Company Bill now before the House will finally be passed. They will judge by what happens to the Seventeenth Amendment, whether this piece of expropriation is persisted in or abandoned. That is how the peasants will judge. Finally, the people of India will judge by the next Budget. It is by these measures that the sincerity of the hon. Prime Minister and his Finance Minister who now talk the language of reason for the first time will be judged.

It is often alleged that we are just critical, that we have nothing to put in the place of this Plan. Let me suggest an alternative approach. You will say: "Supposing the Plan is to be scrapped, what takes its place?" I am prepared to make an alternative approach. The starting point of that approach will be something said by Gandhiji. Gandhiji once said:

"I will give you a talisman. Whenever you are in doubt, or when the self becomes too much with you, apply the following test. Recall the face of the poorest and weakest man whom you may have seen, and ask yourself, if the step you contemplate is going to be of any use to *him*. Will *he* gain anything by it? Will it restore *him* to a control over his own life and destiny?"

Shri Tyagi: This is most inspiring. Thank you.

Shri M. R. Masani: I appeal to people here, many of whom have deep regard for Gandhiji's teaching, to recall

these words and to test the policy of their Government in day to day action against this touchstone.

What are the realities? After 17 years, if this had been the approach of this Government, would we be where we are today? Would our per capita income today be Rs. 330 a year, would the consumption of the average man in India be Rs. 300 a year, would the large majority consume less than Rs. 150 a year? Today, the lowest 10 per cent of our population—I am going by official statistics, I am not following my hon. friend, Dr. Lohia, I am following Shri Nanda—according to Government figures, consume 27.5 naye paise daily. The highest 10 per cent, who are supposed to be fabulously rich, consume Rs. 1 per day, and the highest 5 per cent, against whom the hon. Finance Minister has such venom with which he spoke an hour ago, consume Rs. 2.37 per day. This is a measure of our destitution and of our poverty! And this is after 17 years of administration by the followers of Mahatma Gandhi!

Recently, in a book published abroad, *After Nehru, Who?* by Welles Hangen, the author has this to say:—

“India may boast a Parliament. It also has the lowest standard of living and the lowest per capita income anywhere in non-Communist Asia outside Pakistan.”

Then he goes on to say:

“Nehru often talks about India having entered the bicycle age but he does not often mention that it will take a little over 400 years at current rates of output to produce one bicycle for every one living in India today.”

If this is the picture, are people going to wait for the Fourth Plan and for the Fifth Plan, as my hon. friends opposite expect? The other day, when somebody asked a question as to when something will be done, the hon. Minister got up and said: “At the end of the Fifth Plan,” and everyone laughed because they knew that he did not mean a word of it. But who is going to wait till the end of the Fifth Plan?

I want to warn this Government and this House that if

they believe that the people of India are going to starve in silence and be exploited in silence by this new vested interest, this new ruling class, till the end of the Fifth Plan, they are making a mistake. They want change here and now. The people want change here and now. They are not going to stand this ‘pie in the sky when you die’ business. They demand an immediate return for their hard work.

Our Plans have chosen the slowest possible method of advance, this, the State Capitalist method which gives the lowest dividend. An average return of 0.5 per cent or  $\frac{1}{2}$  per cent on capital is no way of taking the country faster to a higher standard of living. Of all the paths open to us, we have taken the slowest and the lowest path.

Professor Galbraith was a good friend of our Prime Minister and his Government. He was a planner; he was a socialist; he was also the author of *The Affluent Society*. But he got cured after three years here. Let me read from the last talk he gave in this country. He talked to Bombay University before taking a plane out of this country. Read between the lines of what he says and you find a most damning condemnation of the whole pattern on which we have embarked. He says:

“The purpose of economic advance is not investment and economic growth. Rather it is the ends that these things are meant to serve, and that is improvement in well-being and popular enjoyment of life. This, the well-being or enjoyment of life by the average person, is the ultimate goal. Moreover, a poor country must make good on this promise with considerable promptness. The basic comparison in human affairs is always the present with the recent past.”

Then, he says:

“An undue emphasis on the rate of growth...”

Rate of growth of steel, Sir—... can lead, and in important cases has led, to undue emphasis on current saving on increase of these savings through taxation. As a result, in

the name of increasing output in the long run, there has been reduction in the well-being of the average person in the short run. This . . . ." says Professor Galbraith, "can be dangerous policy."

He had in mind what I said five minutes ago, namely, that the people will not wait for this. . . . . (Interruption). They want justice here and now.

What then is the remedy? I would say that what we need to do is to concentrate on producing the things that the people need immediately. What are those? They are food, clothing and shelter, the needs of life, and some education for their children. I think, it is a fair summary of what comes first, that is, food, clothing, shelter, the bare necessities of life, daily comforts, and some education.

Let us just take food and clothing to understand what this means. A learned professor of economics has worked out — and people in the Planning Commission also have confirmed this — that a man needs Rs. 30 a month or Rs. 360 a year for the bare needs of life, that is, nutrition Rs. 21 per month, clothing Rs. 3 per month and shelter etc., everything, Rs. 6 per month totalling Rs. 30 a month. This was worked out in a seminar by a spokesman of the Planning Commission. I accept it. I am not quarrelling about figures now. It is a miserable pittance. I do not think any hon. Member would dream of living on this for a day.

How is this to be secured? Modest as it is, can we get this? It means that today's per capita income of Rs. 330 a year must be converted into the national minimum by 1975. If even after 15 years you want this Rs. 30 a month to be available to the average man, today's per capita or average will have to be the bottom or the minimum. In order to do that, our per capita income will have to go up to Rs. 540 a year. In order to get Rs. 330 or Rs. 360 a year as the minimum, the per capita income will have to be Rs. 540. These are things worked out by the Planning Commission itself. It has also been estimated that to get this per capita income of Rs. 540 a year by 1975, we shall need a rate of

growth, not of this miserable 2 per cent which has been put before us, but of 7 to 8 per cent a year, even more than the target which has not been fulfilled. Now, Sir, 7 to 8 per cent a year is achieved in many countries. Japan has touched 20 per cent; West Germany has touched it, and in Nationalist China which I have visited it was 7.7 per cent in the last two or three years. It can be done. But how can it be done and by whom? That is the question that really faces us. If the Plan has to be scrapped, how is it to be done otherwise and by whom?

Coming to this concentration on foodgrains and cloth, let us take an example. The per capita consumption of foodgrains in 1960-61 was 16.5 ozs. This has to be raised to 23.1 ozs. by 1975-76 to give what may be called a decent nutritional minimum. This involves the doubling of food production in India from 80 million tons in 1960-61 to 160 million tons in 1975-76. About cloth, today's per capita consumption is 15.8 yards. What is required in 1975-76 is 22.1 yards. Again it involves doubling of the production of cloth from 9 million yards today to 18 million yards in 1975-76. This is the first thing; to double, more or less, the quantity of foodgrains, cloth and building material which are needed by our people for food, clothing and shelter.

The second thing is to provide gainful employment to people so that their hands are used productively, so that there is money in their pockets, some purchasing power with which to buy things. This is important. I am not arguing humanism here. With these hardened Marxists opposite, humanism does not work. But let me put it even from the point of view of the rate of growth. Consumption is important. Production is certainly very important, but consumption is also important. A starving man cannot produce. A certain measure of nutrition is necessary before you can get a productive human being to produce. So, quite apart from humanism and decency, even from the point of view of increasing production, you want healthy,

reasonably healthy, able people. So, nutrition has relation to production itself. So long as the colossal under-utilisation of our manpower goes on, as it does today, we cannot expect production to go up. So, in some cases, consumption is even anterior or prior to production, although by and large production has to precede consumption.

Now, the implications of this are that, if you must maximise production, the available resources have to be utilised where the return is highest. Every unit of production must give the highest possible return. And this can only be achieved where production and investment can shift in response to the needs of the consumers, where the common citizen can indicate his needs for cloth, shelter and other articles. So, we must keep pace with the demand. This means the sovereignty of the consumer, consumer preference, which is economic democracy going alongside of political democracy.

This can only be done by ending the State Capitalist, bureaucratic, monopolistic system that we discussed earlier this afternoon. It can only be done if the people can produce to meet their own needs and are given incentives and rewards for doing so. Nothing short of a complete reversal of the State Capitalist pattern will be required. Otherwise, you stick at your 0.5 per cent rate of return and take this country to its ruin.

Maximising production, therefore, means two things: first, a change in the order of priorities. Our Chinese Communist enemies, stupid as they are, have learnt at least that lesson. About a year ago, Chou En-lai went to the Chinese Communist Congress and said: Scrap all this heavy industrialisation. The new order of priorities, according to the Chinese Communists, is (1) agriculture, (2) light consumer goods industries, and (3) heavy and basic industries. This was the Great Leap Backwards after the Great Leap Forward which failed to materialise. Even these Communists, rigid as they are, the worst Stalinist lot, have come to their senses on this point at least. Why

then are we going ahead following the old Stalinist model which even the modern Stalinists have discarded?

Secondly, it means a reversal to a different allocation of the role of the State and of the people. I have said it before and I repeat it. We stand for the State playing an active part in our economic life. We stand for a mixed economy of free and State enterprise cooperating in serving, or competing in the service of, the people. There are legitimate spheres for both. The appropriate sphere of the State is to build the infra-structure, the foundation for economic advance. That is not a minor thing. It means irrigation and water supply, it means power; it means roads, transport and communications of every form; it also means education. And finally, there is an essential minimum regulation to stop anti-social practices. All this is the legitimate role of the State as understood in civilised society. But that is where the role of the State stops. When the State starts making pencillin, when it starts making steel, it becomes an exploiting element, and it sells pencillin and steel at a price which is many times the cost it takes to produce or import.

That is why Professor Galbraith, the author of the *Affluent Society*, who preaches State enterprise in America, realises that in India something very different is required. And this is what he says in his book, which many of his admirers forget. He says:

"In poor and ill-governed societies, private goods mean comfort and life itself. Food, clothing and shelter, all technically subject to private purchase and sale, have an urgency greater than any public service with the possible exception of the provision of law and order."

I think, Sir, you will agree that neither I nor any of my colleagues on these Benches have ever put a proposition as extreme as this. We have never said that, with the possible exception of the police, Government should do nothing else, and only private enterprise should give food, clothing and shelter to the people. That is a very extreme

position for a planner and a socialist to take. We take a very much more modest position. But when a man like this is driven to saying this, with his experience of this country, we have got to realise what realism means.

Therefore, we shall have to change this whole approach. If we want our country to have a decent subsistence, if we want our people to have adequate food, clothing and shelter, this Five Year Plan must be scrapped completely.

This does not mean that you have to abandon socialism. I said in August that the socialist objective is one that every human being would accept. Who does not want a free, prosperous and more equal society? Of course, we want it. But the State Capitalist path is the discarded nineteenth century, out-moded path to get to social justice. This is what socialists in one country after another have understood, except our own socialists. So, I am not calling for a surrender of the socialist objective.

Let me give an example. Only recently in October, the German Social Democratic Party, one of the strongest in Europe decided as follows. I am reading from the *New York Times* of October 7th. It says:

"The German Social Democratic Party turned its back on 'economic planning'. A declaration of faith in private enterprise was proclaimed by Socialist leaders at an economic conference held by the Party in Essen."

It further says:

"The Essen Conference...represented another long step in the evolution of German social democracy from a 'class' to a 'people's' party.... Socialist leaders began the evolution five years ago by scrapping the party's Marxist manifesto."

So, let them not follow my pattern, let them not follow the Swatantra pattern. Let them follow the Western socialist pattern, and we shall join in that, because that kind of socialism make sense to us, not this Soviet-obsessed, Statist pattern which has been imported into our country from Moscow.

President Kennedy was a great favourite of our governmental leaders, and we all admired him. Nobody called him a reactionary. He made a speech, reported in *Time* magazine of November 29; it was made a few days before his death. I am quoting him. He said:

"We have liberalized depreciation guidelines to grant more individual flexibility, reduced our farm surpluses, reduced transportation taxes, established a private corporation to manage our satellite communication system, increased the role of American business in the development of less developed countries, and proposed to the Congress a sharp reduction in corporate as well as personal income-taxes and a major de-regulation of transportation."

Here was the great progressive President listing measures which my hon. friends here will call capitalist. But he was a true progressive. If we want to admire Kennedy, let us at least learn a little from him.

Now, I come to my conclusion. Since my return to this House in August, I have become aware of a queer sense of unreality about some of the discussions and the atmosphere in this House. Outside, in my constituency and elsewhere, I find seething discontent. I find raging anger among the common people, and the poorest of them I am referring to. There is widening cynicism and a lack of faith in the honesty of purpose of this Nehru Government. There is a sense of desperation that they do not see how they can escape from this mess. Even the hope of an alternative government, of a change of government, does not appear before their eyes. This is something I deplore, because I am a democrat to my finger-tips and I do not want anything to happen which is outside the scope of the Constitution and parliamentary democracy. But I am worried about it because I see signs of this impatience with the democratic process. People think of short-cuts, desperate expedients.

And when we come to this House, what do we find here?

An amazing sense of smugness and self-complacency. Months go by, years go by and problems remain unsolved; but Ministers stand before this House radiant with self-satisfaction at their non-achievements! Only yesterday we had the spectacle of the Food Minister indulging in such a performance.

The economic policies of this Government have failed as miserably as their defence and foreign policies crumbled last year in October and November in NEFA. The patient grows steadily worse; his health subsides, he sinks. But the Chief Physician and his fellow-physicians gambol about the country proclaiming the soundness of the patient's health and their own magical curative powers. The Chief Physician is surrounded by sycophants who seek to transform or transmute his record of dismal failure at home and abroad into a great, endless, triumphal parade.

This image of total composure may be reassuring to the hon. gentlemen on the Treasury Benches and those who support them here. But I want to ask: how long can they shut their eyes to grim realities? How long can they go on like this ignoring what the people are feeling, for the people have given through various manifestations in the last six or eight months the answer? They can go on like this only so long as the people remain drugged by ignorance, drugged by the cult of personality, and drugged by absence of knowledge. I can assure you, Sir, and the House that this will not last for long. Even illiterate people have been known to rebel; even an illiterate people's patience comes to end. The people of India today are suffering; they are getting desperate. 'The mills of God grind slow but they grind exceeding small.' And the wrath of the people can be just as terrible as God's wrath.

*Speech delivered while opening the debate on the Mid-term Appraisal of the Third Plan in the Lok Sabha, December 5, 1963.*

## Prof. N. G. Ranga

---

I am extremely sorry that the Prime Minister's speech has been so disappointing. He is talking of frustration, but his whole speech breathes of frustration. He talks of disappointment. But what else is it but disappointment that we derive from the speech that he has made today about his pet child that he has nursed for the past fourteen or fifteen years?

My hon. friend wanted us to keep in mind what is known as perspective planning. It is true that he is very much like that gentleman who thinks that he is moving on an asphalt road and does not think that it is only a cart track, and goes on with his eyes on the sky; and when he stumbles and falls, somebody else comes and says 'Look here, you are making a mistake', but he gets furious at him and says 'Do I not have eyes?' That is the kind of Government that we have. It has eyes, but it does not see, and it does not know how to see even when others are prepared to help it to see.

Then, my hon. friend has talked about planning. He seems to think somehow or other that the Swatantra Party is opposed to the very idea of planning. Therefore, he tried in an unsuccessful manner to go on twitting us on that particular point. There also, he is something like the gentleman who says 'Do you want a Government or not?'; and when we say 'Yes', he says 'However corrupt it may be, however inefficient it may be, however useless it may be, and however dishonest it may be, it is Government, and, therefore, you must have it'. If we say that we do not want this kind of Government and that we would like to have an alternative government, or another system of government or another person to be in charge of Government, he gets furious; he says that for a long time to come,

the Swatantra Party would not have a chance at all to go over to that side.

But the pity of it all is that he does not realise that he has stayed there for far too long, and indeed, the very way in which he and his Government stick to power goes contrary to what he himself once said to me when we were together, namely that there is what is known as the disease of power. That was not his concept. That was the concept of Lord Acton who passed it on to him, and he passed it on to me. With this disease of power which has taken charge of this Government, it is impossible for them either to mend themselves or to amend themselves. The sooner they realise it, the better it will be.

Then my hon. friend was saying: "We want parity in prices, equality of incomes, and economic and social development" and so on. Are they not all common to us all? Have we not also said so?

My hon. friend Shri M. R. Masani has once or twice before also tried to educate the Prime Minister and others about our attitude in this regard.

Shri M. R. Masani (Rajkot): I have failed.

Shri Ranga: There is this pamphlet entitled *To Prosperity Through Freedom*, where we have stated what the nation's aspirations are: these are common to all political parties.

Shri Tyagi: Was it at the election time?

Shri Ranga: I am coming to that also. And the common things are as follows. We have stated there:

"This area of agreement covers the aim of a fuller and richer life for the people through the development of agricultural and industrial production. It also covers the equitable sharing of the benefits of this increased production."

This is exactly where the Government have failed. The Prime Minister has again and again bewailed the fact that the rich people are becoming richer and the poor are becoming poorer as a result of this planning. We want

equitable sharing of the benefits of this production. A further point of agreement is "the need to speedily improve the lot of our people consistently with the maintenance of basic human freedoms. Inherent in this is also the need for a measure of planning on the part of public authorities"—I want the Prime Minister to note—"and economic institutions, without taking away"—that is where we want to underline it—"the rights inherent in a parliamentary democracy and in the concept of individual liberty". This is what we have stood for.

Therefore, it is wrong for my hon. friend, the Prime Minister, to say that the Swatantra Party is opposed to the idea of planning. Then he referred to the Bombay Plan, and said that my hon. friend, Shri Masani, has opposed even that. That Plan laid stress on basic industries on the largest scale from steel right down to chemicals; that was of the Soviet type. Even at that time, I would like to remind the House, whether you like it or not, I, speaking on behalf of the peasants, complained about the Bombay Plan saying that it neglected and gave minor importance to agriculture and food production. There was also another Plan, to which my hon. friend did not refer. That was the People's Plan of the late Shri M. N. Roy. He gave prominence to agriculture and warned this Government as well as the Congress that if they neglected agriculture, they would be ruining the country and paving the way for the pauperisation of the country and the masses. The Prime Minister fell in love first with his own National Planning Committee, next with the Bombay Plan, and later on he wanted to improve upon it by bringing in his own National Planning Commission. My hon. friend, the Prime Minister, wants us to believe that the Planning Commission is only an advisory body and has not got any mandatory authority. In theory it may be so; but in actual practice, it is working as a mandatory authority. Can anybody in the public erase all that has appeared in the papers about the members of the Planning Commission

strutting about from State to State trying to *samihao* not only ordinary Ministers but also Chief Ministers in regard to various matters? Was it not a fact that the Mysore Government was coerced to change its own decision in regard to the limit of ceiling? Did they not interfere with the Andhra Government, when their own Minister in charge of Revenue complained that the Planning Commission was trying to dictate to them?

Shri Tyagi: Because the Government had approved those policies.

Shri Ranga: Which Government? This Government had approved it, but there is a State Government. The Minister, who is a bosom friend and counsellor, was saying that the State Governments were all independent, they had their own legislatures; they were all elected persons. But there is this string through the pearl necklace, the string of the Congress Party. And on the top, here is the Prime Minister—No, Pandit Jawaharlal Nehru. He is Prime Minister here, but there he is counsellor, the topmost counsellor, the topmost man who had the authority in this wonderful democracy to ask all the Chief Ministers to vacate, to ask six Ministers here to vacate and then do what he liked!

Shri Tyagi: Not as Prime Minister.

Shri Ranga: There are so many other things done. I need not go into all of them to show the authority he is enjoying. He is sitting tightly on the Planning Commission as Chairman, as Prime Minister here, and there as the topmost leader of the Congress as a whole, and on top of it all, he insists upon them that they should also be as blind as he himself is in regard to this perspective planning. That is what we are opposed to.

Let me also say what is the sort of development we want. Do we not also want development? We do. We stand for "the balanced development of capital goods industries, organised consumer goods industries and rural industries", which will supplement employment, in the processing of agricultural products. "While not opposed

to the development of heavy and basic industries, commensurate with the availability of resources, the Swatantra Party rejects the lopsided priority given to heavy industry at the cost of agriculture, cottage industries and organised small-scale industries producing consumer goods." We want to make life happy for people with a low income.

When I was hearing the very ineffective speech of the Prime Minister, I thought he was echoing this very same idea that we have ourselves placed before the public. "We reject the current pattern of centralised topheavy planning of the Soviet type" that they are evolving here. The series of unachieved targets indicated in the plan appraisal is an eloquent proof for all that, and of the restrictions which are intolerable—they themselves bear witness to it—which are calculated to perpetuate the regime of the party in power. Can you deny this?

The Swatantra Party "stands for planning carried out within the limits of the freedoms guaranteed by the Constitution to develop the growth of conditions in which the people's enterprise will find full and unfettered scope". Just now, the Prime Minister sounded as if he was jealous of the free peasantry, the free artisans, the free traders and the free industrialists, and he must have priority for his own State enterprises, basic industries managed by the State. We know what a poor performance they have been presenting to us. It is not only Shri Masani who drew the attention of the House to the failure of the public enterprises; so many members from all these Benches of all parties, including the Communist Party, have also borne testimony to the fact that the State enterprises have not been able to manage their affairs so well, so effectively, and produce much and yield any kind of decent enough profit.

"We believe that for the proper organisation for such planning of the affairs of the nation, the responsibility is that of the Cabinet which in its turn is responsible to Parliament". This is exactly what Shri Hanumanthaiya

said yesterday which was also said by several other members from the Congress side, and through this House, to the people. The Government may refer to such expert assistance as it desires. It is there that we can certainly have a number of experts associated with all the various Ministries and also with the Finance Minister and the Prime Minister himself. Let them do their work there merely as advisers and not as bosses, as they are doing today, not as a super-Cabinet, as the Planning Commission is functioning today; it is even worse than a super-Cabinet because on top of it sits the great Leviathan.

Why do we object to this? Because the Planning Commission usurps the power of policy-making affecting the life of the nation. Therefore, I am very glad that at long last after so many years—after two Plans and three years of the Third—they have come to realise that the basic thing for all our economic progress is agriculture, that the basic person is the peasant. Why have they forgotten him? Is it because I was not here all these years to remind them? I have been reminding them again and again and because they would not heed me, I had to go out once. And because they were in danger of being captured by the communist friends, I came to their rescue—they were not even grateful for that—and tried to protect the peasantry of this country. In the end they wanted to have co-operative farming. Why does he not agree to my suggestion, which has been dittoed only the other day by the Minister of Food, that the peasants should be assured remunerative prices? Why does he not agree to parity between agricultural prices and other prices? Why does he want to draw a distinction between agriculturists on the one hand and co-operatives on the other, and want to favour co-operatives? And what sort of co-operatives? We have had experience of this in Delhi over gur distribution. Their representative was here offering a kind of apologia. Their President had to confess his sin of having profited. But he says that profiteering by a marketing society is

less dangerous than profiteering by private individuals. Profiteering is profiteering all the same. It will not cease to be profiteering when it is carried on by an institution and will be profiteering only if it is carried on by an individual or a number of individuals who are not organised among themselves, who do not enter into a cartel or form a monopoly organisation.

Mr. Chairman: Has the hon. Member severed his connection with the co-operative movement? He is one of the leaders.

Shri Ranga: I am supposed to be one of the founders of the co-operative movement, but I certainly cannot offer an apology for this kind of profiteering to be carried on under the protection of this Government. I want co-operatives to stand on their own legs, compete with the rest of the trade, and offer better services to the people, just as they are doing in the Scandinavian countries, in Holland, England, France and America. But in this country it is a protected sector. Therefore, they want peasants also to come under co-operative farming, and when the peasants say "no, thank you", Pandit Jawaharlal Nehru is angry with them. So, I had to leave the Congress.

How do you think the Swatantra Party come into existence? It has not come into existence just because there are people who are frustrated. There was nothing in the gift of the Prime Minister which he and his predecessors were not prepared to offer me; there was nothing that was not offered by the Congress to my leader, and today he is the oldest statesman alive in this country as well as the rest of the world. We formed the Swatantra Party because the Congress Party was going the Soviet way, the communist way.

Years back, in 1936, Shri Jawaharlal Nehru wanted to go the Soviet socialist way, but seven members of the Working Committee protested against it, and then he withdrew that clause. After Mahatma Gandhi and Sardar Vallabhbhai Patel have gone and so many others have

left the Congress, he has come out with all these things.

So many people say that the Swatantra Party has got only a negative attitude. I would like to say that we favour democratic planning which would yield, in terms of economics, increased production, non-exploitative servicing. We stand for a non-exploitative society. We do not want to allow either State monopolies or private monopolies to exploit the public, the consumers or the producers. We also want to strengthen the self-employed sections. My hon. friend says that the whole of agriculture is private economy. It is not private economy. They are all self-employed, small, independent, freedom-loving people. The Finance Minister was asking: what sort of kisan is Ranga trying to represent? I represent all those people who own less than 40 acres of land, who number 60 million. Those who have more than 40 acres number only one million, and those with more than 100 acres are only 0.1 million. So, I represent all these masses of agriculturists.

My communist friends go on talking of peasants. Which peasants? Here are the cultivators who form 22.70 per cent of all the working people in this country, while the agricultural workers are only 7.18 per cent. They speak on behalf of 7.18 per cent, but want to confuse the House by making it appear that they are speaking for all the peasantry, the 22.70 per cent and also the 7.18 per cent.

Shri P. Venkatasubbaiah (Adoni): Every small peasant is an agricultural labourer by himself.

Shri Ranga: I stand corrected. I am very glad my hon. friend has given this additional information.

We want minimum wages for agricultural workers, just as they are asking for industrial workers, based upon minimum prices to the agricultural peasants, so that there would be parity between the two; similarly, we want price parity between agricultural produce and all other prices.

These are the people for whom I speak. Therefore, I have not changed in regard to my basic loyalty to the

peasant. The Prime Minister's speech is eloquent proof that because they have neglected the agricultural sector and the peasants, these Plans are on the rocks.

My hon. friend Shri Masani said that we want this plan to be scrapped, that is, *this* kind of plan as I told the Prime Minister in the very beginning. We do not want *this* Plan because it has gone the wrong way, and it started the wrong way, it has led our people in the wrong way.

I also want to mention what is not contained in these Plans, but what is being done by this Government in order to bring about their vague conception of socialism, where there would not be any landlords at all, not any self-employed people, but only wage-earning masses, who would be submerged and converted into mere chattel of a totalitarian Government which they want to head.

They want to prevent the managing agency from having any kind of freedom. I am starting from the strongest people with plenty of money and plenty of education and organisation on their side. Even those people are in danger today. They are likely to be driven away, suspended, removed from office. That is the Company Law Amendment Bill. They have formed certain trusts. Those trusts also Government want to take hold of. Government, in the name of planning, have been lending money to all these industrial concerns. They want to turn those debentures and loans into shares, so that they can quietly capture those companies and become their masters. My hon. friend Shri Tyagi was very happy that in a surreptitious manner they are doing it. That is the manner in which the Finance Minister has been carrying on his business.

Last time also he brought in three taxes. He wanted us to accept him as a wise man, but what happened to the Expenditure Tax if it was such a piece of wisdom? It went the way of the wind. He wants us to believe that similarly this measure is going to help the socialist pattern by boring all these terrible holes into the ship of industry, but industry will be scuttled.

Coming to peasants, they want to bring in what are known as agro-industries into the villages, so that these people also can be driven into helplessness. They have already given a fore-taste of it through their Gold Control Order. By the end of the Third Plan they are going to have 20 million unemployed people in the country, not to speak of the under-employed people. Not being satisfied with that, this is their great contribution. They are unable to create new jobs, but by a writ they simply drive into helplessness and suicide-mindedness more than 5 million goldsmiths.

Then, by the Constitution (Seventeenth Amendment) Bill, they want to take away our lands, paying nominal compensation, taking arbitrary authority to take away the land. For what purpose? Just as they want to take away industrial concerns for a so-called public purpose, they want to take away our lands for a so-called public purpose. Who is to decide all these things? In regard to the companies at least, there is scope to go to the High Court and the Supreme Court, but so far as the Constitution (Seventeenth Amendment) is concerned, these things will be denied, because if it is allowed to go to the courts, the courts would declare it out of court.

They say they stand by the Fundamental Rights. They have been raping these Fundamental Rights, destroying the Chapter on Fundamental Rights, in the name of the Directive Principles, but the Directive Principles will also go the way of the wind.

Having done that, they want to bring in co-operative farming, collective farming. We know the result of collective and co-operative farming. Let them go to its source and gain the benefit of their experience. Why do they want to bring in this outmoded, useless, suicidal, destructive system of co-operative farming into this country? It is because the Prime Minister wants to be "progressive". So, the hallmark of being progressive is to fly in the face

of the experience of the countries that have experimented with and gained experience in co-operative farming.

After that, they want to turn all our peasants into chattels, for deriving the satisfaction of being totalitarian. They say they do not want to go the way of Soviet Russia or China, but that is the way they want to go. They call it revolution, and they want to do it by democratic processes.

These are all things being done outside the four corners of this Report of the Planning Commission. All these are their games, very well thought out. Why do they want to do it? Because they know that in terms of rupees, annas and pies, they cannot deliver the goods. So, with the help of this House, and various people manning the Governments in the States, they want to subvert our social economy. Having done it, they want to create a sense of frustration. The Prime Minister asks us not to suffer from any sense of frustration.

What else is happening? He is distressed and unhappy because agricultural production is not going up. Here is his own erstwhile Minister of Food who says: "Briefly stated, therefore, the farmer as the primary and predominant investor in agriculture must be educated into schemes of improvements." Have they done it? Have they fulfilled all the other conditions. In the matter of credit, they are providing Rs 300 crores whereas they should be provided with Rs 3,500 crores? Where are they going to get the money from? They are borrowing money from foreign countries and are using it as they like for Plan projects but also for non-Plan projects. You were a Member of the Estimates Committee, Mr. Chairman, and so you are a party to the recommendation condemning the Government for having spent so much money on non-plan projects. Outside assistance may be needed to develop our basic industries. At the same time we want more of it to be channelled to raise the standard of our people, for protected water supply in the villages? Can we not raise

an international loan for that or insurance against floods and famines? Can we not get aid for food supply to the vulnerable sections of our people? Can we not get aid for improving our irrigation facilities, power facilities? After attending to these, if you can spare more money you can utilise it for bigger industries. But you do not want to do it.

The farmer is the foundation: Mr. S. K. Patil has said that the crux of agriculture is the farmer. Are you going to do things or improve things by subverting his economy, by making him feel doubtful whether what he is holding will remain in his hands or not? You can do it by giving him ample credit, by helping him to get insecticides and pesticides when he needs them, by giving him every possible assistance in irrigation, in power and so on. That is why I want the reorganisation of this Plan. I would start with the farmer and the village but not with these community development programmes in this way. Nobody need get annoyed with me because I say that it is not a national Plan. It is not a national Plan because it can become a national plan only when there is a national Government. Has this Government ever tried to think in terms of establishing a national Government so that it can formulate a national Plan? Has it been done with the help and co-operation of all the political parties in this country?

Shri Sham Lal Saraf: Is it possible to reconcile the concept of communists and of yours?

Shri Ranga: If I reconcile myself to Pandit Jawaharlal Nehru, I can as well reconcile myself to these people, because one is red and the other is pink but both are going the same way. There are certain basic things on which they must be prepared to agree; even communists in Soviet Russia under the leadership of Lenin had to accept what is known as NEP. It is possible that the communists will be prepared for 10 to 15 years to come down so low as to swear by this Government and stand by it with the result that the Finance Minister was thanking them yester-

day for supporting his Plan. In regard to the use of these funds, what are they doing? Are they inviting the co-operation of the other parties? Or even of their minority groups in all the various States, dissidents? Are they not discriminating against their own dissidents? What do they do in regard to finding employment for all these educated people? All those people who belong to the Opposition parties and also to the opposition groups within the Congress are made to go frustrated because there is no grandfather or grand uncle for them. Therefore, it is not a national plan.

It is not now that I say so. In the beginning, when the First Plan was introduced, I was speaking in the other House and I said that it was not a Gandhian Plan; it is not a national plan; it was Soviet-oriented with Nehru's stamp put on it. I said so even at that time. It continues to be so. At that time people had no experience of that Plan; they expected big things. Now they know that it is a failure. It is on that failure over which my hon. friend the Prime Minister is presiding. I cannot congratulate him nor can I congratulate the Congress Benches for continuing to have the same leadership and not trying to have a better leadership.

*Speech delivered during the debate on the Mid-term Appraisal of the Third Plan in the Lok Sabha on December, 11, 1963.*

*Substitute motion moved by Professor Ranga:*

"This House, having considered the Third Five Year Plan — A draft Outline laid on the Table of the House on the 1st August, 1960, disapproves of it because—

(a) it is unrealistic and misleading by reason of an over-estimate in the targets of production and of savings and other resources; it under-estimates the required outlay mainly by ignoring the rising costs due to inflation inherent in the Plan, and is in the result improvident;

(b) the huge uncovered gap between resources and outlay, the continued resort to deficit finance, the threat of additional taxation, will all lead to accentuation of inflation and a continuing erosion in the real income and savings of the people which will cumulatively encourage antisocial forces. This rise in prices will also lead to a higher cost economy which will make it impossible to compete in the world markets and develop exports. The Plan makes no attempt to work out a stable price and money policy;

(c) while the desirability of encouraging equity, capital coming into the country is neglected, there is too much dependence on foreign aid, which leads to mortgaging the future of the country;

(d) the insistence on fostering collective farming under the name of joint cooperative farming to the neglect of family farming will be a disincentive to agricultural production and will retard the progress of genuine multipurpose cooperative societies which, in the way they are planned, will be stepping stones to collectivisation. The imposition of ceilings on agricultural incomes will be both a disincentive to production and an injustice to the rural population, besides being an attack on fundamental rights and the freedom of the citizen;

(e) the greater emphasis on heavy industry to the comparative neglect of consumers' goods will inflict added hardship on the mass of the people; it will also lessen the scope for providing maximum facilities for employment so badly required;

(f) the emphasis laid on what is called the public sector results in the creation of monopolies distributed among favoured individuals at the cost of real public, free and competitive enterprise. There is an attempt based on doctrinal prejudice to tilt the scales against the development of peoples' enterprise and the economy of self-employed people in the interest of State monopolies. Savings in the people's sector are sought to be drained away to the State sector. This will discourage the spirit of enterprise, hard work and taking of risks by the people and retard the growth of the national product and national income. It will result in the concentration of political and economic power in a few hands and attenuate the autonomy of the States. It will also continue the process of proliferation of the bureaucracy;

(g) the conception of compulsory labour in the Plan is contrary to the Constitution and to the principles of democracy and will prepare the ground for communism;

(h) the provision of hundreds of crores of public money by way of distribution through grants-in-aid and otherwise by the Union to the States, and by the States to local organisations including panchayats, cooperatives and welfare societies will lead, in the absence of a non-partisan approach and suitable checks, to a continuance of waste and corruption through political influence being brought to bear on the administrative apparatus;

(i) as a result of all this, the Plan would reduce the real income and the standard of life of the present generation and is, therefore, against the interests of the people."